

Divestiture of: 13120 Tilley Road, Unincorporated Thurston County, WA

Presenter:

Scott Francis
Director, Real Estate
Port of Tacoma



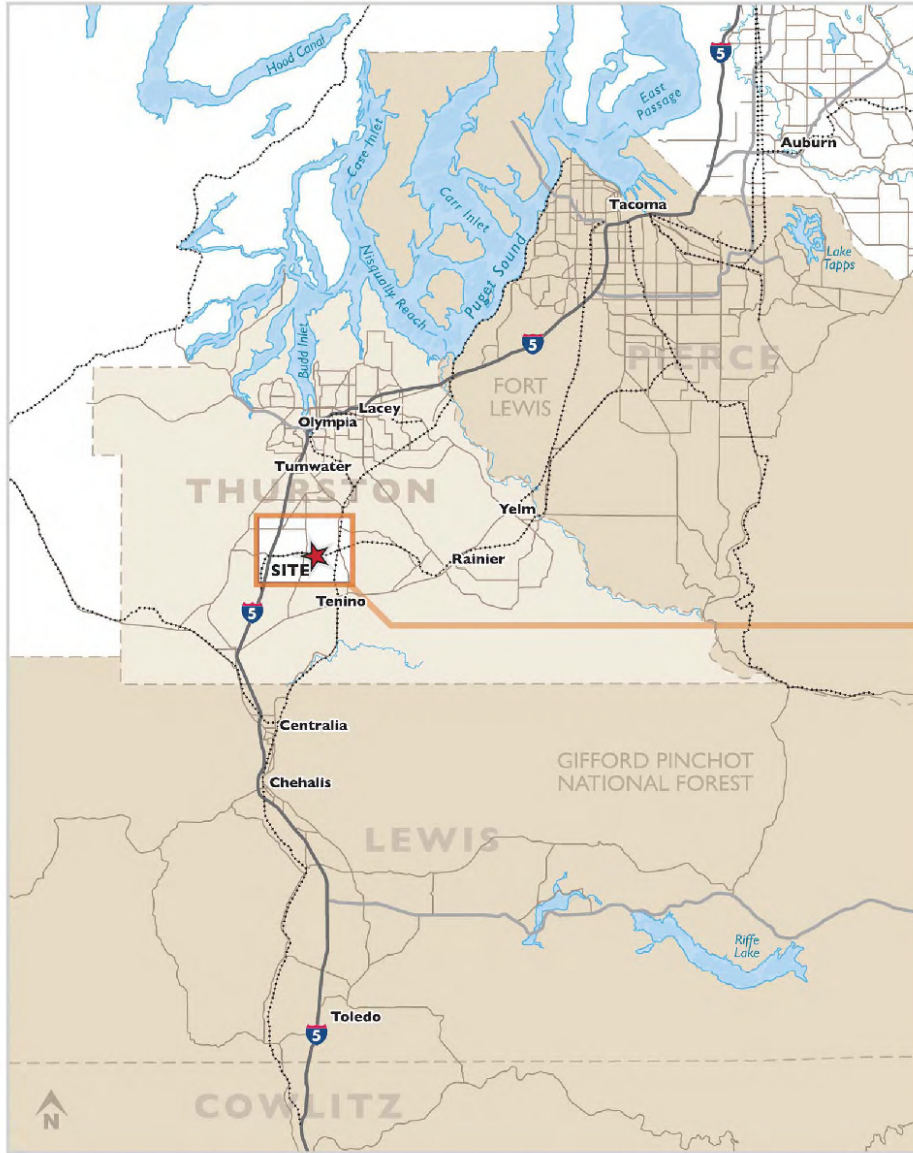
Action Requested



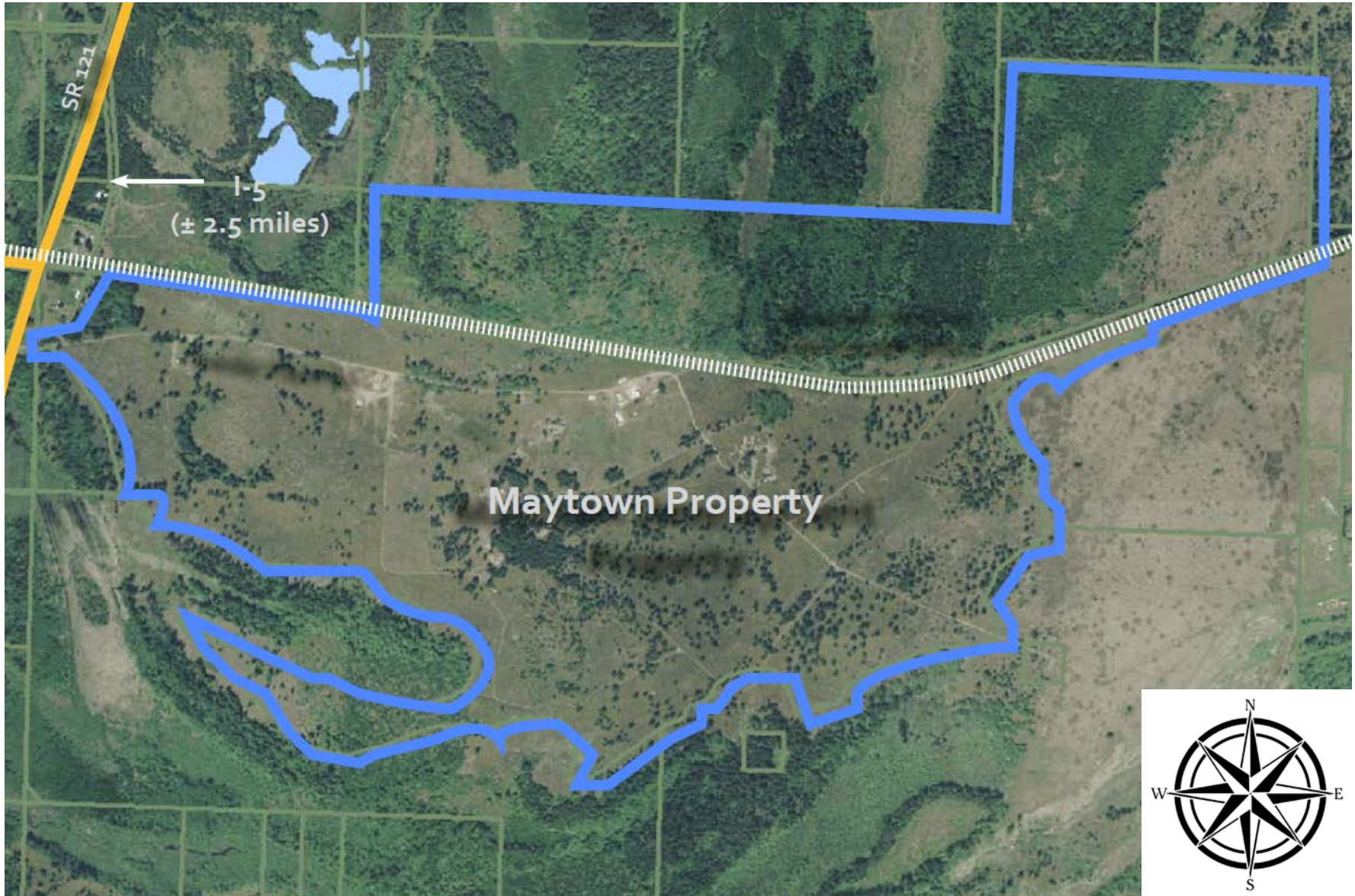
Request Commission approval of:

1. The Purchase and Sale Agreement (PSA) dated December 6, 2018 with NorthPoint Development, LLC (Buyer) to sell portions of Sections 1, 2, 3, 11 and 12 of Township 16 North, Range 2 West, W.M., Thurston County Tax Parcel Number 12602340100, located at 13120 Tilley Road SW, Unincorporated Thurston County, Washington, and authorize the Chief Executive Officer or his designee to execute any and all additional documents and take any and all additional actions necessary or required in connection with the completion of the sale, consistent with the PSA, and
2. Commission determination that the Port's Master Policy condition to confirm the property's market value via two appraisals prior to the sale is satisfied based on the receipt of multiple offers in response to a multi-year Request For Offers to Purchase the subject property, which serves as real time evidence that this proposed purchase of the site satisfies the test for market value.

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Background



- On July 28, 2006, the Port of Tacoma purchased approximately 745 acres of land located at 13120 Tilley Road SW in Thurston County, WA for \$21,250,000.
- On January 22, 2009 the Port of Tacoma approved Resolution 2009-01, amending the Comprehensive Scheme of Harbor Improvements to divest this 745 acres.
- On March 18, 2010 the Port of Tacoma approved Resolution 2010-04, approving this 745-acre parcel for surplus and authorizing this property for sale.

Background Continued



- The Port sold the property in April 2010 to Maytown Sand & Gravel, LLC. Maytown Sand & Gravel was unable to perform its agreement and relinquished the Property back to the Port in October 2013.
- The Port initiated a Request For Offers to Purchase (RFOP) the property in October 2013. This RFOP was active to receive responses until November 15, 2018.
- Multiple responses to the RFOP were received and the NorthPoint Development offer was selected as the front runner. The remaining RFOP responses will remain in back-up offer status until actual closing.

Purchase and Sale Terms Summary



- Sale Price: \$24,860,000
- Earnest Money: \$500,000
- Broker Commission:
 - 2.5% on the first \$3 Million of sale price.
 - 1% on the sale price over \$3 Million.
- Closing Fees: Port pays for title policy. Port and Buyer each pay half of escrow fees.
- Feasibility Period: 180 days.
- Closing Date: On or before 12/20/19.

NorthPoint Development



- Kansas City based privately owned development firm.
- Established in 2012.
- Specializes in the development of Class A industrial, senior housing, multi-family and self-storage facilities.
- NorthPoint Corporate Core Values:
 - Live generously.
 - Put people first.
 - Maintain financial discipline.
 - Take ownership of every situation.
 - Do the right thing every time.
- Developed over 55 million square feet of Class A industrial space since 2012.

NorthPoint Project Benefits



- The development of this property is expected to produce new family wage local Thurston County jobs.
- The development will generate local tax revenues that are expected to benefit the local community.
- NorthPoint works with communities to facilitate training centers in support of local jobs.
- The development will likely include local infrastructure improvements.
- NorthPoint partners with local communities to include undeveloped areas.

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